
DIGEST

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HB 856 Original

2026 Regular Session

Fontenot

Abstract: Establishes the use of indefinite delivery, indefinite quantity contracts by the Department of Transportation and Development. Provides procedures, definitions, and requirements to govern the contracts while providing flexibility for project-specific needs.

Proposed law declares that improving efficiency in highway and bridge construction and maintenance is in the public interest. Authorizes the Dept. of Transportation and Development (DOTD) to award indefinite delivery, indefinite quantity contracts for maintenance, repair, reconstruction, and construction projects when the secretary determines it is in the best interest of taxpayers.

Proposed law provides for definitions of the following:

- (1) "Best value" means a selection process in which proposals contain price and qualitative components and award of the indefinite delivery, indefinite quantity contract based upon a combination of price and qualitative considerations as provided in the solicitation documents.
- (2) "Indefinite delivery, indefinite quantity (ID/IQ)" means a method of contracting that allows for delivery of an indefinite quantity of services over a fixed duration under which delivery of specific services is authorized by task orders.
- (3) "ID/IQ contract" means the contract awarded to an ID/IQ contractor pursuant to the requirements of this Section.
- (4) "Low bid" means a selection process in which proposals are evaluated based on the proposed price from the lowest responsible bidder.
- (5) "Multiple award" means an ID/IQ procurement where awards of ID/IQ contracts for the same scope of services are made to multiple ID/IQ contractors through a single procurement.
- (6) "Single award" means an ID/IQ procurement where award of the ID/IQ contract is made to a single ID/IQ contractor.
- (7) "Work order" or "task order" means a contract document issued for a definite scope of work pursuant to an ID/IQ contract and provides the location, time, and scope of work required and authorizes the ID/IQ contractor to deliver the scope of services described in the task

order. It also provides required pay items, quantities, and unit prices, as applicable.

Proposed law requires the DOTD to comply with all applicable federal regulations for federal-aid projects and provides that federal regulations control in the event of a conflict with state law or rules.

Proposed law requires that single-award, low-bid ID/IQ contracts follow either advertising procedures in present law or the advertising requirements of proposed law. Authorizes the DOTD to award the contract.

Proposed law requires the DOTD, before awarding multiple-award or single-award ID/IQ contracts not advertised under existing low-bid procedures to issue a “notice of intent” (NOI) on its designated webpage to solicit letters of interest (LOI). Requires notices to be advertised at least 10 days before the response deadline and include a description of the ID/IQ services. Further authorizes the DOTD to readvertise the NOI through additional media or publications if the number of responses is deemed insufficient to encourage competition.

Proposed law requires the DOTD to issue a “request for proposals” (RFP) to contractors that submitted an LOI. Further requires that the RFP include instructions for preparing and submitting proposals, evaluation criteria, estimated quantities and unit prices, and indicate whether a single or multiple awards will be made. Additionally, requires that all procurement documents, including the NOI and RFP, comply with proposed law.

Proposed law requires that bid bonds be specified in the DOTD's standard specifications or special provisions. Authorizes the DOTD to waive the requirement for bid bonds for procurements under proposed law.

Proposed law requires the assistant secretary for project delivery, with the secretary’s concurrence, to establish an evaluation committee to review proposals and authorizes assistance to the committee by other DOTD personnel or external advisors. Requires the committee to evaluate proposals as described in the RFP and recommend an award to the secretary, who makes the final determination.

Proposed law authorizes the DOTD to include the following in its procurement documents or contracts:

- (1) Payment of mobilization or demobilization costs and the method for determining reimbursement if such costs are awarded separately from an individual work order.
- (2) The method for determining price escalation or de-escalation.
- (3) Special provisions specific to ID/IQ contracts.
- (4) Unit pricing or lists of work items specific to ID/IQ contracts.
- (5) A minimum quantity or dollar value of supplies or services the department is obligated to order and the contractor is obligated to furnish, if the department chooses to set a minimum.

Proposed law limits the term of the initial ID/IQ contract and any extensions to a maximum of five years and provides that the DOTD determines the duration of the initial term and any individual extensions. Requires that the ID/IQ contract establishes the general terms and conditions governing the relationship between the DOTD and the selected bidder. Prohibits execution of the ID/IQ contract from authorizing work or serving as a notice to proceed.

Proposed law requires that payment bonds, performance bonds, retainage bonds, minimum warranty periods, and general requirements of present law apply to the value and completion of individual work orders rather than the entire ID/IQ contract, unless otherwise specified in the contract, work order, or special provisions. Further requires that payment, performance, and retainage bonds be issued at the time of execution of each individual work order, unless otherwise specified. Provides that stipulated damages apply to individual work orders and are calculated based on each work order's required completion date. Additionally, authorizes the DOTD to determine insurance policies coverage extent, and type.

Proposed law excludes engineering and design service contracts, other authorized consulting contracts, and federal-aid projects, but allows ID/IQ contracts under proposed law to be used for projects with engineering or design elements when the primary purpose is the work specified in proposed law.

Proposed law provides that the provisions of this Part apply to ID/IQ contracting. Proposed law provides that, in the event of a conflict, the provisions proposed law prevail and supersede any conflicting state law.

Proposed law authorizes the DOTD to establish guidelines, standard specifications, special provisions, handbooks, or other requirements documents for elements of ID/IQ contracting not explicitly provided for in proposed law or present law.

Proposed law authorizes the DOTD to promulgate rules and regulations to implement and enforce proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds 48:250.5)